

division of housing development



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The HOME Program *Fact Sheet*

The HOME program is a federal housing program established by the U.S. Congress as part of the Cranston-Gonzalez National Affordable Housing Act of 1990. It is a flexible housing block grant that is distributed on an entitlement basis to states, larger cities and consortia of smaller communities. The Commonwealth's allocation of HOME funds is administered by the Department of Housing and Community Development (DHCD).

How it works

Typically, DHCD administers HOME funds for the following types of eligible housing programs:

1. Rental housing production and rehabilitation
2. First-time homebuyer housing production
3. First-time homebuyer development assistance

At least 15% of HOME funds must be awarded to nonprofit Community Housing Development Organizations (CHDOs), as defined by HUD. Approximately 60 nonprofit organizations in Massachusetts qualify as CHDOs with DHCD.

Rental programs are targeted to households earning less than 60% of area income. Homebuyer programs are targeted to households with incomes below 80% of area median income.

HOME funds are awarded competitively.

Who is eligible

For-profit developers, non-profit developers, non-profit organizations constituted as CHDO's and municipalities. All applications require the approval of the chief elected official of the community.

Awards

The maximum award amount is \$750,000 for rental and project-based homeownership projects. Purchaser-based proposals may receive
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a maximum award of \$250,000. HOME awards typically are made as loans to eligible recipients.

Application process

Notices of Funding Availability (NOFAs) are issued twice a year for the rental program. DHCD accepts first-time homebuyer housing production applications on a rolling basis. First-time homebuyer downpayment assistance NOFAs generally are issued once a year. The following guidelines apply to the different types of HOME projects:

Rental program — applicants are eligible to apply for 30 year deferred payment loans to support acquisition and/or rehabilitation of existing structures or new construction for multifamily rental use. The minimum project size is five assisted units. Loan amounts are capped at \$750,000 per project and \$50,000 per HOME-assisted unit in HOME entitlement communities and \$65,000 in non-entitlement communities. All units must be targeted to households earning no more than 60% of area median income. Twenty percent of the households must be affordable to units earning no more than 50% of area median income.

First-time homebuyer housing production — applicants are eligible to apply for funds to support acquisition and/or rehab of existing structures for sale to income-eligible first-time home buyers. Applicants also may seek funds for new construction of homeownership projects. The minimum project size is three HOME-assisted ownership units.

First-time homebuyer downpayment assistance program — applicants may apply for funds to provide low-income households with downpayment and/or closing cost assistance. Purchaser-based funds may not be used to assist homebuyers purchasing units with project-based first-time homebuyer funds.

For more information

Please call the Division of Housing Development at (617) 573-1300.